



STATE OF DELAWARE  
DEPARTMENT OF FINANCE  
**DIVISION OF ACCOUNTING**

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**MEMORANDUM**

**TO:** All Agency and School Fiscal Officers  
**FROM:** Trisha L. Neely, Director  
**DATE:** July 16, 2007  
**SUBJECT: FISCAL YEAR 2007 GAAP FINANCIAL REPORTING**

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As a reminder, the forms provided in the FY 2007 GAAP Reporting Package are required to be completed and used to input information into the GMEN system by **August 3, 2007, the due date for all GAAP package information.**

1. The following updates are included in the GAAP Package and the Data Entry Guide on the Division of Accounting website at <http://accounting.delaware.gov/Manuals.shtml>.

GAAP Package

- Transmittal letter
- State Collection and Accounts Receivable Policy (excerpt from Budget & Accounting Manual) – added after page 29
- Accounts Receivable Summary (B-4A/B) – page 32 replaced
- Schedule of Lease Commitments – page 57 replaced
- Instructions for Form G-4 (Accumulated Unused Annual Leave) – page 60 replaced
- Updated pages to include Heading – page 71, 72, 73, and 74

Data Entry Guide

- Replacement for page 33 – Accumulated Sick/Vacation Leave – page 33b

2. The following three GAAP package forms must submitted by fax.
  - Cash/Checking/Savings Account – Bank Balances (A-3B) – Requires signature
  - Investment Account Balances (A-5) – Requires signature
  - Summary of Accumulated Sick/Vacation Leave (G-5)

3. The following information must be submitted directly to the Division of Accounting:
- All State Organizations – Copy of Accounts Receivable Collections Policies and Procedures, in accordance with the State of Delaware, Office of the Budget, Budget and Accounting Manual, Section VIII – Collections and Account Receivable, Part D- Accounts Receivable, Item 3 – Collections.
  - Local School Districts - Board Meeting Minutes for June 2007 that show the status of construction projects as stated in the GAAP reporting package for Construction Work In Progress.

Please maintain printed copies of all completed GAAP package forms as well as any source documents (schedules, invoices, bank statements, etc.) as supporting documentation of GAAP package input for auditing purposes.

For your review, we have included frequently asked questions during GAAP training as an attachment to this email. Please contact Karen Chrisler at [Karen.Chrisler@state.de.us](mailto:Karen.Chrisler@state.de.us) or 302-672-5506, or Dawn Haw-Young at [Dawn.Haw-Young@state.de.us](mailto:Dawn.Haw-Young@state.de.us) or 302-672-5516, with any questions.

**Fiscal Year 2007 GAAP Financial Reporting**  
Frequently Asked Questions

Attachment

The Division of Accounting encountered common questions during GAAP training in May 2007 that are addressed below.

- Q. For a Month-to-Month lease, where there is no obligation/commitment, is the current year lease expense required to be reported in the GAAP package (i.e. most recent lease agreement expired 9 years ago)?
- A. Report the current year lease expense in Schedule of Lease Commitments, even if there is no future lease commitment (i.e. Month-to-Month lease), whether paid through DFMS or paid outside DFMS.

- Q. Are all Cash accounts outside DFMS required to be reported in GAAP package?
- A. YES, all Cash must be reported in GAAP package. There is no minimum threshold.

Please Note - This includes "Sunshine Funds", which are considered Fiduciary/Agency/Custodial-type Funds for GAAP purposes and are required to be reported as GAAP fund 890 for all State organizations, including School Districts.

- Q. FY 2007 GAAP Reporting Package page 59 refers to "PAGE G-2B" – what is the updated page reference?
- A. The reference on page 59 should be to page 61, instead of G-2B.

- Q. Should Library Books (or Text Books) be reported as Supplies & Materials Inventory in the GAAP package?
- A. Used Library Books (and Text Books) should not be reported as Supplies & Materials Inventory; nor should they be recorded as Fixed /Capital Assets.

Please Note - Exception: If a new shipment of Library Books (or Text Books), in the amount of \$100,000 or more, has been purchased, (new and unused books), they must be reported as Supplies & Materials Inventory in the GAAP package. Once items have been used, they are no longer part of Supplies & Materials Inventory.